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PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

Kentucky Utilities Company
State Regulation and Rates
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Louisville, Kentucky 40232
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F. Howard Bush
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March 26, 2012

**Subject: Filing of Special Contract under Kentucky Utilities Company's
Net Metering Service (NMS)**

Dear Mr. DeRouen:

Pursuant to 807 KAR 5:011, Sections 2 and 13, and other applicable law Kentucky Utilities Company ("KU") respectfully requests approval of this special contract between KU and Weisenberger Mill ("WM"). Enclosed for filing are;

- Two originals of this cover letter
- Attachment 2 - four copies of a Net Metering Contract

KU has provided service to WM for several decades under a General Service ("GS") Contract for Electric Service and a Small Qualifying Facility Rider ("SQF"). During the course of time the turbine has become damaged resulting in reduced water flow through the turbine. As a result, the original 30 kW generator only produces 14 kW. WM desires to replace the original generator with a 50 kW generator and continue operation under KU's Net Metering Service ("NMS") as part of a **"Demonstration of Variable Speed Permanent Magnet Generator at Small, Low-Head Hydro Site"** 5-year project. KU is pleased to support development of new technologies which may have wide spread application.

KU's tariff at Original Sheet No. 57 limits availability of net metering service to generation facilities with a maximum rated capacity of 30 kilowatts. In the case of Weisenberger Mill, however, generation at the site is somewhat limited

due to available water flow and the parties are of the opinion that, despite the 50 kW nameplate rating, the actual generation will not exceed the 30 kW limit. As a result, KU is willing to permit Net Metering service to this customer, subject to the approval of the Kentucky Public Service Commission ("KPSC"). Specifically, the proposed special contract for net metering service is for a five-year period. If, at the end of that period, Weisenberger Mill has met the conditions and limitations contained in the Net Metering tariff, including the 30 kilowatt limitation, Weisenberger Mill will continue to be served under the terms of the then-existing Net Metering tariff for so long as it continues to meet the conditions and limitations contained therein. However, if at the end of the five-year period, Weisenberger Mill has not met the conditions and limitations contained in the then-existing Net Metering tariff, the Company will be served under the appropriate rate schedule.

For these reasons, KU requests the KPSC approve the attached special contract to become effective on May 1, 2012 and, if necessary, grant a deviation for this customer to the parameters set out in KU's Net Metering tariff.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope. Should you have any questions, please do not hesitate to contact me. Thank you for your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "F. Howard Bush", with a stylized flourish at the end.

F. Howard Bush
Manager, Tariffs/Special Contracts